

Utah bankers honor Zions Bancorp. chief

By Max B. Knudson
Deseret News business editor

SUN VALLEY, Idaho — The Utah Bankers Association named veteran Utah banker Roy W. Simmons "Distinguished Banker," here Tuesday at its 78th annual convention.

UBA outgoing president Robert H. Bischoff said the award is given in recognition of a lifetime of outstanding achievement in banking and service to the community. "It is not presented annually, but only when the association deems a particular banker worthy of the award."

During the ceremony, bankers and friends honored Simmons, chairman and chief executive of Zions Utah Bancorp. and its principal subsidiary Zions First National Bank, with recollections of his many contributions to banking and the community at large.

Included among those honoring Simmons were President Gordon B. Hinckley, first counselor of the First Presidency of the Church of Jesus Christ of Latter-day Saints; Sen. Jake Garn, R-Utah; University of Utah President Chase Peterson; former Questar Chairman B.Z. Kastler; former banking commissioner Smoot Brimhall; and past UBA president Frank B. Newman.

Simmons began his banking career in 1941 as a cashier at the First National Bank of Layton. In 1949, he was appointed commissioner of financial institutions in Utah.

In 1964, Simmons was elected president and chief executive of Zions First



Roy W. Simmons

National Bank and Zions Utah Bancorp., which has assets of more than \$3 billion.

Zions Utah Bancorp. is also the holding company of numerous other financial organizations including The Lockhart Co., which has offices in Utah, Colorado, Idaho and Oregon; Nevada State Bank; Argus Leasing Corp.; Zions Leasing Co.; Zions Insurance Agency; Zions Mortgage Co.; Century Mortgage; and Zions Data Service Co.

Simmons is past president of the UBA and is a director of Beneficial Life Insurance Co., Mountain Fuel Re-



Harold C. Steed

sources Co., O.C. Tanner, Ellison Ranching Co., Questar Corp., Utah Portland Cement Co. and the United States Air Force Academy Foundation Inc.

He is currently serving as chairman of the Executive Reorganization Committee for Utah, is Utah chairman of the University of Utah's Jake Garn Institute for Financial Studies and Research and he is a member of the American Bankers Association government relations council.

He is the former director of the S.L. branch of the Federal Reserve Bank of San Francisco and has served as an

officer and board member of numerous business and educational organizations including Kennecott, Hotel Utah, Mountain States Legal Foundation, Salt Lake Clearinghouse, Utah Foundation, of which he was president from 1967-78, Utah District Export Council, Utah Business Development Corp., Utah Manufacturers Association, Governor's Bonding Advisory Committee, BYU National Advisory Council, Salt Lake Area Chamber of Commerce.

Alta Club, Rotary International, University of Utah College of Business Advisors, Utah Board of Regents, Utah Heritage Foundation, March of Dimes and the Acting Norwegian Consul.

New UBA officers and board members were also elected Wednesday at the close of the convention.

Harold C. Steed, president, Clearfield State Bank, was elected 1986-87 president of the association which represents Utah's 51 commercial banks.

Louis A. Harris, executive vice president, First Security Bank of Utah, was elected vice president. Five other bankers were elected to serve two-year terms on the UBA's 14 member board of directors.

Steed, a graduate of Utah State University, has been president of Clearfield State Bank since 1969, where he began his banking career 1946 as a teller. He has been president of the northern Utah chapter of the American Institute of Banking and has been a member of the Community Bankers Advisory Board of the American Bankers Association. He currently is a member of Weber State College's institutional council.



Louis A. Harris



James E. Bolden



Carl C. Buchanan



Richard W. Keiffer



Edward D. Sappington



Robert B. White Jr.

Steed has served as a member of the Clearfield City Council and as a trustee of Humana Davis North Hospital. He is a past president of Clearfield Chamber of Commerce and Kiwanis Club.

Harris is a past president of the Salt Lake Chapter of the American Institute of Banking, past president and board member of the United Way, was a board member of Robert Morris Associates, and is a member of the Holy Cross Hospital Foundation board of trustees. A University of Utah gradu-

ate, Harris is member of the Salt Lake Rotary Club.

The five bankers elected to serve as UBA board members are: James E. Bolden, president, United Bank, Murray; Carl W. Buchanan, president, Davis County Bank, Farmington; Richard W. Keiffer, executive vice president, First Interstate Bank of Utah; Edward D. Sappington, executive vice president, Sun Capital Bank, St. George; and Robert B. White Jr., president, Utah Independent Bank, Salina.

Insurers plagued by lack of information

By John Cuniff
AP business analyst

NEW YORK — A lack of information, said the professor, lies at the root of the insurance problem — a problem made up of high premium costs, high damage awards and an inability of many customers to obtain any insurance.

"Whatever changes need to be made must focus on the basic dilemma of the insurer, and that is a lack of information," he said.

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ma of the insurer, and that is a lack of information," he said.

William C. Dunkelberg, Purdue University economics professor, offers that opinion as a basis for understanding a problem that is producing more charges and countercharges than solutions — while the situation worsens.

Aspects of the situation are found

almost everywhere. Liability insurance is too costly or not offered, doctors pay huge malpractice insurance fees, corporate directors cannot obtain protection against stockholders suits, new companies are denied any insurance, product liability insurance is refused.

A lack of information, said the professor, is the common ingredient in all. He goes on to explain:

"What is a gamble for each of us is simply a statistic for large numbers of us.

"Although we do not know precisely which of us will be in an accident, we do know that accidents do occur at a fairly steady and predictable rate.

And the average cost of these accidents is also known."

This information, he explains, allows insurers to take gambles or risks and, through large numbers, convert them into costs. And these costs, plus additional money for salaries and overhead, are averaged out as premiums.

But when people become insured, he continues, a "moral hazard" develops.

That is, when people have fire insurance, for example, they tend to invest less in home fire prevention.

"The result is more house fires and related deaths and injuries than we

would have if there were no insurance," he says.

"With liability insurance we drive more carelessly, and when we buy protection from theft we invest less in theft prevention. The same with health insurance — when we have it we go to the doctor more often than without."

What does all this have to do with today's insurance problems?

"Simply this: To insure against a risk, an insurer must have information about the frequency of an adverse event's occurrence and the cost of each event when it occurs.

"Then, it must have a large enough number of participants to convert the

gambles into known costs."

In many instances, however, especially at a time when behavior is changing, insurers do not have good, up-to-date figures on the frequency and cost of suits. Moreover, in some instances, the insurable parties do not constitute a group large enough to permit averaging of costs.

Dunkelberg doesn't let insurers off without blame.

It is true, he maintains, that insurers shaved premiums and got into destructive competitive battles simply to obtain money to invest at the high interest rates that existed in the early 1980s — and which have since fallen.

"Somewhat more responsible behavior on the part of insurance companies, and limits or guidelines for liability settlements would improve the functioning of insurance markets," he says.

Guidelines and limitations, he

points out, would indeed allow insurers to assemble more reliable statistics, but it would also bring the industry out on slippery turf.

Who, for example, should decide what a wrongful death is worth? Are all wrongful deaths the same? Should stockholders be able to sue bad managers? How should such settlements be limited?

Dunkelberg doesn't have the answer, but he suggests that the marketplace might. That is, the same people involved in the "moral hazard" characteristic that raises costs, also serve on juries, leading him to the conclusion:

"As consumers become increasingly aware of the rising cost of insurance, in terms of premiums and on the availability of products and services, they will think twice about the size of settlements handed down in the courtroom."

Coca-Cola has combining of bottlers on tap

ATLANTA (AP) — Coca-Cola Co. said Tuesday it plans to acquire its largest independent bottler and that it may combine all Coca-Cola-owned bottling operations under a separate, possibly public company.

Sale
\$6⁹⁷
Reg. \$9.97

A Academy
Broadway
Corporation



Academy 30" Nylon Bag.

Sale
\$17⁸⁴
Reg. \$19.96

Coleman
OUTING PRODUCTS



Coleman Plastic
28-oz. Vacuum Bottle.
Stainless steel liner.



★ **July 4th** ★

SALE

Sale
\$3⁹⁷
Reg. \$5.97


A Academy
Broadway
Corporation



Academy Broadway 6x8'
Polyester Tarp.

Sale
\$⁹⁹
Reg. \$1.27

WINCHESTER
SUPER-X 22 LONG RIFLE
HIGH VELOCITY
RIMFIRE CARTRIDGES



Winchester Super-X .22 Long Rifle Cartridges.